Q2

Interim Report

as of June 30, 2024

klöckner & co

Interim Group Management Report

Klöckner & Co Group Figures

for the six-month period ending June 30, 2024

Shipments and income statement		Q2 2024	Q2 2023	Variance	HY1 2024	HY1 2023	Variance
Shipments	Tto	1,164	1,044	120	2,304	2,131	173
Sales	€ million	1,765	1,754	11	3,502	3,594	– 92
Gross profit	€ million	294	296	– 2	590	607	– 17
Gross profit margin	%	16.6	16.9	– 0.3%p	16.9	16.9	0.0%p
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ million	42	65	– 23	79	135	– 56
EBITDA before material special effects	€ million	42	65	– 23	83	130	– 47
EBITDA margin	%	2.4	3.7	– 1.3%p	2.3	3.7	– 1.4%p
EBITDA margin before material special effects	%	2.4	3.7	– 1.3%p	2.4	3.6	– 1.2%p
Earnings before interest and taxes (EBIT)	€ million	11	38	– 27	16	81	– 65
Earnings before taxes (EBT)	€ million	– 5	29	– 34	– 16	63	– 79
EBT before material special effects	€ million	– 5	29	– 34	– 12	58	– 70
Net income from continuing operations	*€ million*	– 18	15	– 33	– 26	39	– 65
Net income from discontinued operations	*€ million*	– 5	– 3	– 2	– 29	– 35	6
Net income total	€ million	– 23	12	– 35	– 55	4	– 59
Net income attributable to shareholders of Klöckner & Co SE continuing operations	€ million	– 23	12	– 35	– 56	4	– 60
Earnings per share (basic) continuing operations	€	– 0.18	0.15	– 0.33	– 0.27	0.39	– 0.66
Earnings per share (diluted) continuing operations	€	– 0.18	0.15	– 0.33	– 0.27	0.37	– 0.64

Cash flow statement		Q2 2024	Q2 2023	Variance	HY1 2024	HY1 2023	Variance
Cash flow from operating activities	€ million	61	33	28	18	79	– 61
Cash flow from investing activities	€ million	– 21	– 24	3	– 44	– 30	– 14
Free cash flow*)	€ million	41	9	32	– 26	49	– 75

Balance sheet		June 30, 2024	Dec. 31, 2023	June 30, 2023	Variance June 30, 2024 vs. Dec. 31, 2023	Variance June 30, 2024 vs. June 30, 2023
Net Working Capital**)	€ million	1,506	1,489	1,696	17	– 190
Net financial debt	€ million	779	775	596	4	183
Gearing***)	%	46.8	45.5	31.2	1.3%p	15.6%p
Equity	€ million	1,720	1,755	1,929	– 35	– 209
Equity ratio	%	46.1	45.4	50.4	0.7%p	– 4.3%p
Total assets	€ million	3,733	3,867	3,826	– 134	– 93

Employees		June 30, 2024	Dec. 31, 2023	June 30, 2023	Variance June 30, 2024 vs. Dec. 31, 2023	Variance June 30, 2024 vs. June 30, 2023
Employees as of the end of the reporting period****)		6,396	6,375	5,710	21	686

*) Free cash flow = Cash flow from operating activities + cash flow from investing activities.

**) Net working capital = Inventories + trade receivables + contract assets + supplier bonus receivables ./. trade liabilities ./. contract liabilities ./. advance payments received.

***) Gearing = Net financial debt / (Consolidated equity ./. non-controlling interests ./. goodwill resulting from acquisitions subsequent to May 23, 2019).

****) Continuing operations.

Interim Group Management Report

Key developments in the first six months of 2024 and outlook

- Operating income (EBITDA) of €83 million before material special effects in the first six months of 2024 (HY1 2023: €130 million). Including material special effects, EBITDA for the first six months was €79 million

- Despite a persistently challenging macroeconomic environment and a significant steel price correction, EBITDA before material special effects in the second quarter of 2024 was a solid €42 million, within the guidance range of €30 million to €70 million

- Net loss of €– 23 million in second quarter and net loss of €– 55 million in first half of 2024

- Shipments of 1.2 million tons in the second quarter considerably above the prior-year quarter (increase of 11.5%) and shipments of 2.3 million tons in the first half of 2024, considerably above the prior-year period (increase of 8.1%) – mainly due to the acquisitions in Mexico and the USA in the second half of 2023 –; sales of €3.5 billion in the first half of 2024 slightly below the prior-year period (decrease of 2.6%), mainly due to lower prices

- Significantly positive cash flow from operating activities of €61 million in second quarter and €18 million in first half of 2024 (HY1 2023: €79 million)

- Despite the challenging macroeconomic environment, EBITDA of €120 million to €180 million before material special effects and again significantly positive cash flow from operating activities expected for full year 2024

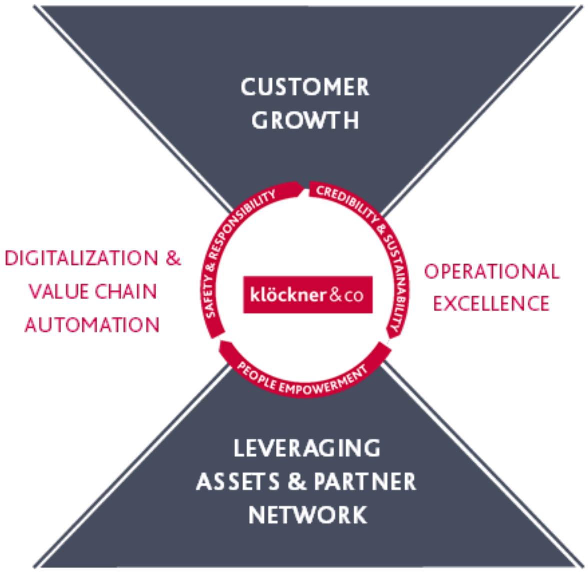
The information contained in square brackets [ ] in this Management Report represents unreviewed and voluntary disclosures that have been read critically by the auditor.

Our strategy – “Klöckner & Co 2025: Leveraging Strengths”

[In implementing our “Klöckner & Co 2025: Leveraging Strengths” strategy, we focus primarily on four levers: Customer Growth, Leveraging Assets & Partner Network, Digitalization & Value Chain Automation, and Operational Excellence.

We aim to generate added value for all of our Company’s stakeholders. And we want customers and business partners to benefit from seamlessly integrated, digitalized and automated processes. For employees, we aim to foster a culture of empowerment and collaboration, upskilling them for the future and enabling them to grow and develop. For shareholders, our focus on a higher level of profitability also means a focus on the sustainable financial success of their investment in Klöckner & Co. Furthermore, we strive to make a positive impact on society and the environment.

We aim to establish Klöckner & Co as the leading one-stop shop for steel, other materials, equipment and processing services in Europe and the Americas, to bring the digital and the physical sides of our business closer together and to continuously improve our internal and external networks. The acquisition of Mexican service center National Material of Mexico and of the US metal components manufacturer Industrial Manufacturing Services, as well as the sale of parts of our European distribution business, further strengthen our focus on higher value-added business and reduce our exposure to volatile commodity markets. Inefficiencies in low-margin steel and metal distribution are still primarily caused by linear supply chains and lack of transparency. By integrating third parties while both digitalizing and automating core processes, we can eliminate existing inefficiencies in the value chain and significantly reduce our variable costs.



Customer Growth

Our goal is to deliver the best solutions for our customers and add value in everything we do. By focusing uncompromisingly on their needs, we aim to achieve the highest customer satisfaction in the industry. This requires an extension of our product and service portfolio and larger regional coverage. The successful acquisition of National Material of Mexico has allowed us to expand our business in North America and increase our presence in Mexico, which is an important region for automotive and industrial customers. As a one-stop shop with a fast-track, best-in-class user experience, we aim to grow our client base and increase our share of wallet: customers buy more from us, and more customers buy from us.

Leveraging Assets and Partner Network

To improve efficiency, we aim to integrate our partners more deeply along the value chain while optimizing network and asset utilization through increased international collaboration. We also plan to bring on board new partners with complementary product ranges and competencies outside Klöckner & Co's core portfolio.

Digitalization and Value Chain Automation

Building on our pioneering role in the steel industry, we are further exploiting the significant potential of digitalization and extending it to the level of automation. We develop innovative solutions and continue to digitalize our internal core processes. With seamless, end-to-end process integration featuring a very high degree of digitalization and automation, we can take process speed and efficiency to unparalleled levels along the entire value chain. Our goal is "zero touch," meaning value generation with minimum manual effort. In the reporting period, we improved the efficiency of our digital ordering processes in the relevant organizational units. As a result, the number of digital solutions was increased by more than 39% in the reporting period compared to the prior-year period.

Operational Excellence

In order to deliver the most efficient solutions and best service to our customers, we are continuously improving our operations. Excellence is our benchmark. By eliminating inefficiencies in our internal processes, we are optimizing our operational results and increasing profitability. We continue to further advance excellence in operations and sales through process automation, increased cost and process transparency, data-driven decision-making and organizational measures.

Corporate values

Our values of Collaboration, Excellence and Responsibility are the cornerstones of our corporate culture and the foundation of our success. We live these values every day; they shape the way we think and the way we work together as a team and with our customers.

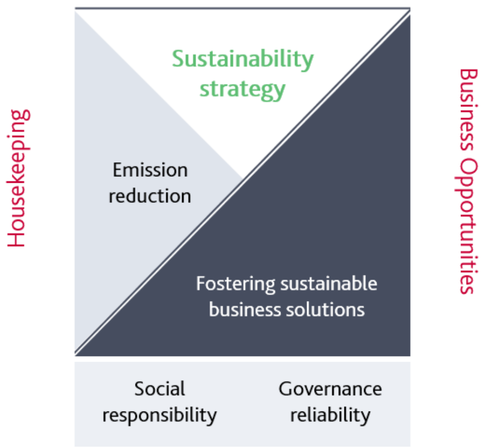
We are committed to responsibility for the environment, safety and our community. This commitment must be reflected in all our actions and decisions. By enforcing the highest safety standards, we ensure a safe working environment that protects our employees. In terms of integrity, we are a transparent, authentic and modern company and deliver on our promises. We demonstrate accountability and commitment to our decisions and actions, and we foster a culture of dealing openly with failures. Our "purpose" – the reason for our existence or the description of what we do to create value for our stakeholders – describes what unites us at Klöckner & Co and demonstrates our positive role in society.

"We partner with customers and suppliers to deliver innovative metal solutions for a sustainable tomorrow."

With the initiatives that make up our "Klöckner & Co 2025: Leveraging Strengths" strategy, we continue to merge the digital and physical sides of our business and take them to the next level. By 2025, Klöckner & Co will be the leading one-stop shop for steel, other materials, equipment and processing services in Europe and the Americas.

Sustainability strategy

We view our dedicated sustainability strategy from an overarching environmental, social and governance (ESG) perspective and purposefully integrate that perspective. Social responsibility and reliable corporate governance are integral elements here alongside environmental aspects.



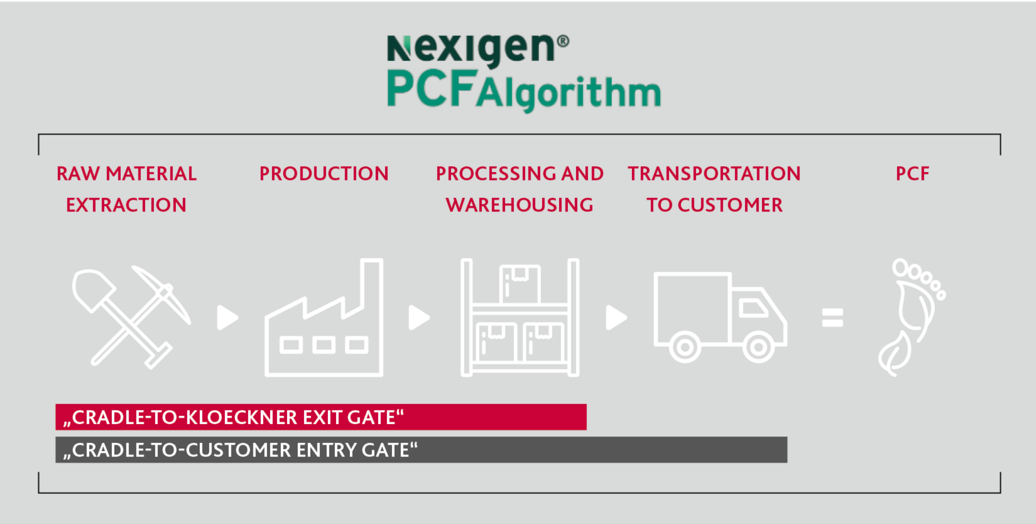
We believe that innovation, technology and new business models, in particular, will enable the steel and metal industry's successful transformation to sustainability. As part of our Group strategy, we are consequently working as a pioneer of a sustainable steel industry to establish innovative business models by creating a comprehensive portfolio of sustainable customer solutions. By expanding our product and service portfolio, we are seizing the strategic opportunity to integrate the attractive new business area of sustainable solutions into our business model. We see this transformation as a unique growth opportunity – not just in the future, but right now today.

Nexigen®

Under our Nexigen® umbrella brand, we have focused our sustainable product and service portfolio across the Group, providing transparent, CO_2-reduced solutions in the categories of materials, processing, logistics, circularity (closed-loop) solutions and comprehensive Sustainability Advisory Services for sustainable customer solutions. In this way, we are already helping customers to reliably source CO_2-reduced steel and metal products, while our smart software solutions give them full visibility into the carbon footprint of the products they buy. To provide our customers with optimum support in establishing sustainable value chains, we have introduced a set of categories for our CO_2-reduced steel, stainless steel and aluminum products. These categories are rooted in international, science-based standards and categorize the CO_2-reduced materials according to their certified emissions along the entire value chain from resource extraction to production and processing, or cradle to Klöckner exit gate. They serve as a guide and a comparison tool when determining the carbon footprint of end products for customers. Through numerous partnerships, we already offer our customers CO_2-reduced steel and metal products today.

Categorization for carbon steel, in kg CO_2e per ton of steel.

In addition, we provide customers with an individual product carbon footprint (PCF) for almost every item in our product portfolio. This allows customers to reliably, transparently and easily verify the carbon footprint of a product purchased from Klöckner & Co. With the Nexigen® PCF Algorithm, we have developed an innovative tool whose automated PCF calculation methodology is certified by TÜV SÜD. The Nexigen® PCF Algorithm's methodology for calculating the PCF follows the internationally recognized Greenhouse Gas Protocol and ISO 14067, ref. 14040 and 14044, and, in accordance with those standards, calculates the product's cradle-to-customer entry gate emissions. As a result, customers have information about the carbon footprint of their materials, thus enabling them to make more sustainable product decisions.



With the introduction of Nexigen® Data Services for the active management of product carbon emissions, we have made a further major step towards decarbonizing the steel and metal industry. This digital technology solution enables customers to view, at a glance, the cradle-to-customer entry gate carbon emission history of all products so far sourced through Klöckner & Co, and automatically receive suggestions for alternative CO_2-reduced products and thus potential for reductions compared to past orders.

For creating transparency about the carbon footprint of our products and thus providing added value for the industry and other sectors, we were presented with the German Award for Sustainability Projects 2024 by the German Institute for Service Quality (DISQ) in partnership with news channel ntv and DUP UNTERNEHMER magazine. We won first place in the Supply Chain category for our "Nexigen® – Green Steel" initiative. Around 350 projects were nominated in 28 categories. Entries were reviewed and evaluated by a high-caliber expert jury.

In addition to the strategic opportunities we see in the sustainable transformation of the steel industry, we are meeting our responsibility to reduce our own emissions and those of our upstream and downstream value chains. As part of this, we have designated the reduction of carbon emissions as a non-financial target for variable remuneration of the Management Board, the entire first management level below the Group Management Board and additional executives at levels two and three.

Our net zero carbon targets have been recognized by the Science Based Targets initiative (SBTi) as science-based targets in the standard validation process. Klöckner & Co has thus committed to reducing Scope 1 and 2 emissions and directly controllable Scope 3 emissions to net zero by 2040 and emissions in the entire value chain by 2050.

We focus on specific actions to avoid emissions and work in close collaboration with customers and suppliers to achieve this goal. As this is a continuous, long-term process, in addition to our reduction measures, we offset all of our Scope 1 and 2 carbon emissions, although not in emissions accounting.]

Economic environment

Macroeconomic situation

The global economy proved generally resilient in the first half of 2024. Despite the challenging overall environment and continued high inflation, a global recession was avoided and emerging markets, in particular, were able to provide positive impetus to the global economy. Overall, global inflation rates continued to decline during the reporting period, with the international (financial) markets responding positively to prospects of looser monetary policy. The US has already significantly surpassed its growth trend from prior to the COVID-19 pandemic, while the Eurozone and China are struggling to reach their pre-pandemic growth rate. Although consensus forecasts for base rate cuts have been continuously pushed into the future, the European Central Bank (ECB) and the Bank of Canada were the first among the G7 countries to lower interest rates. The general assumption is that the expected rate cuts will be implemented more slowly than originally forecast.

In the second quarter of 2024, the US recorded slight growth in the gross domestic product (GDP) of 2.9% compared to the prior-year quarter, largely driven by government subsidy programs such as the Creating Helpful Incentives to Produce Semiconductors Act (CHIPS) and the Inflation Reduction Act (IRA). The labor market remains tight, although recent indicators suggest a slight easing. Together with strong private consumption, the tight labor market is exerting sustained upward pressure on inflation, which nevertheless continued to decline during the reporting period.

In the Eurozone, GDP remained constant in the second quarter of 2024 compared to the prior-year period (+0.5%). Economic activity in the Eurozone was dampened by high interest rates, continued weak consumer spending and persistently high energy prices. The ECB lowered interest rates at the end of the reporting period in response to falling inflation, providing positive stimulus to the Eurozone economy.

China's gross domestic product recorded a slight increase of 4.7% in the second quarter of 2024 compared to the prior-year period. The Chinese economy benefited from higher manufacturing demand, stable employment rates and an improved business climate. Inflation in China declined over the period, mainly due to a sharp decline in domestic food prices. Continued high youth unemployment in the first half of 2024 and the ongoing real estate crisis are negatively impacting China's economic growth.

Development of GDP (in percent)	Q2 2024 vs. Q2 2023
USA	2.9
Mexico	2.1
Brazil	1.7
Europe*)	**0.5**
Germany	0.0
Switzerland	1.4
China	4.7

*) Eurozone.
Source: Bloomberg, Oxford Economics; in some cases provisional.

Industry-specific situation

According to the World Steel Association, global production of crude steel products in the first half of 2024 was approximately 954.6 million tons, almost unchanged from the same period last year (+/– 0.0%). Production output was slightly down by 2.4% in the USA, while it remained constant in the EU (+0.9%). Chinese production decreased slightly by 1.1% year on year.

Trend in key customer industries

CONSTRUCTION INDUSTRY

According to Oxford Economics, the US construction industry grew considerably in the first six months of this year (+ 7%). The main drivers of growth in the US construction industry continued to be government infrastructure programs, such as the "Infrastructure Investment and Jobs Act" and the "Inflation Reduction Act". A damper on growth remained the ongoing shortage of skilled labor, although this eased slightly toward the end of the reporting period. In the first half of the year, the construction industry in the Eurozone grew slightly by 1%, while the construction industry in Switzerland declined slightly (–1%). The sector continued to benefit from rising demand for housing due to immigration and subsidies for sustainable construction projects. The ongoing shortage of skilled labor in the construction industry also acted as a damper on the entire sector in Europe.

MACHINERY AND MECHANICAL ENGINEERING

According to estimates by Oxford Economics, US machinery and mechanical engineering remained nearly flat during the reporting period (– 0.2%). The sector benefited from a continued strong end consumer market, attractive fiscal policies and ongoing investment. However, the US Federal Reserve's continued restrictive monetary policy and the resulting higher borrowing costs had a dampening effect on the sector. In Europe, the sector declined slightly during the reporting period (– 4%). It was supported by a resilient automotive industry, but dampened by high borrowing costs as a result of tight monetary policy in the eurozone.

AUTOMOTIVE INDUSTRY

The German Association of the Automotive Industry (VDA) reports that unit sales in the US automotive industry increased slightly by around 2% in the first six months of 2024. In the same period unit sales in the Mexican automotive industry increased considerably by 12%. According to the VDA, in the first half of the year the automotive industry in Germany recorded considerable growth of around 5% compared to the previous year, partly as a result of the low prior-year level. Despite the increase, there is still a significant shortfall on the 2019 pre-crisis level. The German automotive industry continues to suffer from high interest rates and the resulting low demand. In China, the automotive market grew slightly by around 3% according to the VDA.

Results of operations, financial position and net assets

The sale of our distribution business in France, the United Kingdom, the Netherlands and Belgium was successfully completed in the reporting period. In accordance with IFRS 5, the disposal group is presented in this Interim Report as "discontinued operations." For discontinued operations, all income and expenses are presented separately in the income statement and all cash flows are presented separately in the statement of cash flows until disposal. The prior-period presentation has been restated accordingly. Deconsolidation took place effective February 29, 2024.

The key figures for the results of operations, financial position and net assets in the second quarter and the first half of 2024 are set out in the following. Further information can be taken from Note 4 (Special items affecting the results) in the notes to the condensed interim financial statements.

KEY FIGURES RESULTS OF OPERATIONS

(€ million)	**Q2 2024**	Q2 2023	**HY1 2024**	HY1 2023
Shipments (Tto)	1,164	1,044	2,304	2,131
Sales	1,765	1,754	3,502	3,594
Gross profit*)	294	296	590	607
Gross profit margin (%)	16.6	16.9	16.9	16.9
EBITDA**)	42	65	79	135
EBITDA margin (%)***)	2.4	3.7	2.3	3.7
EBITDA before material special effects	42	65	83	130

*) Gross profit = Sales ./. cost of materials + changes in inventory.

**) EBITDA = Gross profit + own work capitalized + other operating income ./. personnel expenses ./. other operating expenses.

***) EBITDA margin = EBITDA / sales.

OTHER KEY FIGURES

(€ million)	**June 30, 2024**	December 31, 2023	June 30, 2023
Net working capital*)	1,506	1,489	1,696
Return on Capital Employed (ROCE)**)	1.6%	2.6%	6.0%
Net financial debt***)	779	775	596
Gearing****)	47%	46%	31%
Leverage*****)	5.4x	4.1x	n.a.

*) Net working capital = Inventories + trade receivables + contract assets + supplier bonus receivables ./. trade liabilities ./. contract liabilities ./. advance payments received.

**) ROCE = EBIT / capital employed = EBIT / (12-month average sum of non-current and current assets less cash and cash equivalents, equity investments and non-current securities).

***) Net financial debt = Financial liabilities as shown in the consolidated statement of financial position + transaction costs ./. cash and cash equivalents.

****) Gearing = Net financial debt / (Consolidated equity ./. non-controlling interests ./. goodwill resulting from acquisitions subsequent to May 23, 2019).

*****) Leverage = Net financial debt / EBITDA before material special effects.

Shipments and sales

SHIPMENTS BY SEGMENTS

(Tto)	Q2 2024	Q2 2023	HY1 2024	HY1 2023
Kloeckner Metals Americas	741	598	1,456	1,197
Kloeckner Metals Europe	423	446	848	934
Group shipments	**1,164**	**1,044**	**2,304**	**2,131**

Group shipments totaled 2.3 million tons in the first six months of 2024, marking a considerable increase of 8.1% relative to the prior-year period. The increase is primarily due to the acquisitions in Mexico and the US completed in the second half of 2023. This can also be seen in the Kloeckner Metals Americas segment, which saw a significant 21.6% year-on-year increase in shipments to 1.5 million tons in the second quarter of 2024, despite a continued decline in prices due to cautious customer demand. In the Kloeckner Metals Europe segment, the persistently challenging macroeconomic environment in particular led to a significant decline in demand by 9.2% in the first half of 2024 compared to the prior-year period, to 0.8 million tons.

SALES BY SEGMENTS

(€ million)	Q2 2024	Q2 2023	HY1 2024	HY1 2023
Kloeckner Metals Americas	1,050	930	2,081	1,859
Kloeckner Metals Europe	714	824	1,421	1,735
Group sales	**1,765**	**1,754**	**3,502**	**3,594**

The significant year-on-year increase in volumes at Group level was not sufficient to offset the lower price level in the first half of 2024, resulting in a slight fall in sales from €3.6 billion to €3.5 billion (decrease of 2.6%). Adjusted for positive foreign exchange effects, the decline in sales in the first half of 2024 was 2.9%.

Earnings

(€ million)	Q2 2024	Q2 2023	HY1 2024	HY1 2023
Sales	1,765	1,754	3,502	3,594
Gross profit	294	296	590	607
Gross profit margin (in %)	16.6	16.9	16.9	16.9
OPEX*)	– 252	– 231	– 511	– 472
EBITDA	42	65	79	135
EBITDA before material special effects**)	42	65	83	130
EBIT	11	38	16	81
EBT	– 5	29	– 16	63
Net income from continuing operations	*– 18*	*15*	*– 26*	*39*
Net income from discontinued operations	*– 5*	*– 3*	*– 29*	*– 35*
Net income	**– 23**	**12**	**– 55**	**4**

*) OPEX = Own work capitalized + other operating income ./. personnel expenses ./. other operating expenses.

**) Material special effects HY1 2024: Income from a site closure and sale (€0.3 million) and expenses from a site restructuring (€0.3 million) in the Kloeckner Metals Americas segment. Expenses from restructuring (€0.2 million) in the Kloeckner Metals Europe segment. Risk assumption from the sale of parts of the European distribution business (€4 million) in the segment Holding and other Group companies.
Material special effects HY1 2023: Income from the sale of a line of business in the Kloeckner Metals Europe segment (€5 million).

Gross profit was €590 million in the first half of the year, down by €17 million on the prior-year figure of €607 million. The main reason for the year-on-year decline was the significant steel price correction in the course of the reporting period. Despite the persistently challenging macroeconomic environment, particularly in Europe, the gross profit margin for the first half of the year remained unchanged relative to the prior-year period, at 16.9%. In the second quarter of 2024, the gross profit margin decreased slightly by 0.3 percentage points to 16.6%; in the case of Kloeckner Metals Americas, this was due to selling prices falling more steeply than purchase prices (19.0% to 16.6%). The gross profit margin in the Kloeckner Metals Europe segment increased in the second quarter of 2024 compared to the prior-year period from 14.5% to 16.7%.

Other operating income and expenses (OPEX) changed as follows:

OPEX

(€ million)	Q2 2024	Q2 2023	HY1 2024	HY1 2023
Other operating income	7	5	14	15
Personnel expenses	– 135	– 125	– 274	– 255
Other operating expenses	– 124	– 111	– 252	– 233
OPEX	**– 252**	**– 231**	**– 511**	**– 472**

Comparability of OPEX with the prior year is limited due to special effects. Other operating expenses thus include non-recurring restructuring expenses of €4 million, while other operating income in the prior-year period included non-recurring gains of €5 million from the sale of a line of business in Germany.

Other operating expenses increased in the first half of 2024 by €19 million to €252 million, of which €2 million was due to currency effects. The increase is mainly due to changes in the scope of consolidation as a result of the acquisition in Mexico and to higher logistics and packaging costs.

In total, OPEX increased by €39 million, from €472 million in the prior-year period to €511 million. The currency-adjusted increase in OPEX was likewise €39 million.

Group operating income (EBITDA) came to €79 million in the first half of 2024, compared to €135 million in the prior-year period.

EBITDA BY SEGMENTS (ADJUSTED FOR MATERIAL SPECIAL EFFECTS)

(€ million)	Q2 2024	Q2 2023	HY1 2024	HY1 2023
Kloeckner Metals Americas	41	65	84	111
Kloeckner Metals Europe	– 1	4	– 3	28
Holding and other Group companies	2	– 4	2	– 9
Adjusted EBITDA of the Klöckner & Co Group	**42**	**65**	**83**	**130**
Net adjustments	-	-	– 4	5
EBITDA	**42**	**65**	**79**	**135**

Adjustments in HY1 2024:
Income from a site closure and sale (€0.3 million) and expenses from a site restructuring (€0.3 million) in the Kloeckner Metals Americas segment. Expenses from restructuring (€0.2 million) in the Kloeckner Metals Europe segment. Risk assumption from the sale of parts of the European distribution business (€4 million) in the segment Holding and other Group companies.

Adjustments in HY1 2023:
Income from the sale of a line of business in the Kloeckner Metals Europe segment (€5 million).

Despite the challenging economic environment, Klöckner & Co generated strong operating income (EBITDA) of €42 million before material special effects in the second quarter of 2024, although this was considerably down on the prior-year quarter driven due to lower prices (Q2 2023: €65 million). EBITDA for the half year before material special effects amounted to €83 million, compared to €130 million in 2023. Earnings in the prior-year comparative periods benefited in particular from a more favorable market environment overall.

The Kloeckner Metals Americas segment saw a significant correction in steel prices in the first half of 2024. Compared to Europe, however, the segment benefited from better economic conditions overall, resulting in operating income of €84 million before material special effects in the first half of 2024 (HY1 2023: €111 million).

In the Kloeckner Metals Europe segment, the persistently challenging macroeconomic environment led to a decline in operating income before material special effects to a negative €3 million, compared to a positive €28 million in the first half of 2023. The lower gross profit in the first half of 2024 compared to the prior-year period was mainly due to lower shipment volumes and ongoing price corrections.

RECONCILIATION TO NET INCOME

(€ million)	HY1 2024	HY1 2023
EBITDA	**79**	**135**
Depreciation, amortization and impairments	– 63	– 54
EBIT	**16**	**81**
Income from investments	– 1	– 2
Financial result	– 31	– 16
EBT	**– 16**	**63**
Income taxes	– 10	– 24
Result from continuing operations	*– 26*	*39*
Result from discontinued operations	*– 29*	*– 35*
Net income	**– 55**	**4**

Due to increased capital expenditure, depreciation, amortization and impairments (excluding inventory write-downs), at €63 million, were higher than the prior-year figure of €54 million.

EBIT was consequently €16 million in the reporting period, after €81 million in the comparative period.

Income from investments mainly contains changes in the fair value of investments.

The financial result was €– 31 million, compared to a €– 16 million in the prior-year period. The change is due to higher average debt in the first half of 2024 and to a higher level of interest rates compared to the prior year.

The positive income in the Kloeckner Metals Americas segment resulted in an income tax expense for the first half of 2024 of €10 million (HY1 2023: €24 million).

Overall, a net loss from continuing operations of €26 million was incurred, compared to net income of €39 million in the first half of 2023. The net loss from discontinued operations amounted to €29 million in the reporting period and was mainly due to negative deconsolidation effects from the sale of parts of the distribution business in Europe. In total, the net loss in the reporting period was €55 million, compared to net income of €4 million in the first half of 2023.

The basic loss per share from continuing operations amounted to €– 0.27, compared to earnings per share of €0.39 in the prior year; the basic loss per share from discontinued operations was €– 0.29, compared to a loss per share of €– 0.35 in the prior year.

Financial position, balance sheet structure and consolidated statement of cash flows

(€ million)	June 30, 2024	December 31, 2023
Non-current assets	1,159	1,132
Current assets		
Inventories	1,401	1,400
Trade receivables*)	930	773
Other current assets	110	87
Liquid funds	133	155
Assets held for sale	-	321
Total assets	**3,733**	**3,867**
Equity	1,720	1,755
Non-current liabilities		
Provisions for pensions	23	25
Financial liabilities	669	742
Other non–current liabilities	80	81
Current liabilities		
Financial liabilities	240	186
Trade payables**)	825	684
Other current liabilities	175	151
Liabilities directly associated with assets classified as held for sale	-	245
Total equity and liabilities	**3,733**	**3,867**

*) Including contract assets and supplier bonus receivables.
**) Including contract liabilities and advance payments received.

Total assets amounted to €3,733 million as of June 30, 2024 and decreased compared to the end of the previous fiscal year 2023 due to the deconsolidation of the distribution business of four European country organizations.

Non-current assets amounted to €1,159 million, slightly above the level as of December 31, 2023 (€1,132 million). The increase relates in the amount of €12 million to additions to property, plant and equipment. This was countered by a decrease in intangible assets (by €– 11 million), mainly due to amortization. In property, plant and equipment, additions of €45 million from investing activities and of €18 million from new leases recognized in accordance with IFRS 16 were offset by depreciation totaling €48 million.

Equity decreased slightly from €1,755 million to €1,720 million. This was due to the lower net income compared to the prior year, the dividend payment of €20 million in May 2024 and the deconsolidation loss. The equity ratio at the end of the reporting period, at 46%, was nevertheless higher than at the end of the prior year (December 31, 2023: 45%).

Net working capital changed as follows:

NET WORKING CAPITAL

(€ million)	June 30, 2024	December 31, 2023	June 30, 2023
Inventories	1,401	1,400	1,517
Trade receivables	846	660	987
Contract assets	58	59	65
Supplier bonus receivables	26	54	18
Trade payables*)	– 825	– 684	– 891
Net Working Capital	**1,506**	**1,489**	**1,696**

*) Including contract liabilities and advance payments received.

In total, working capital was €17 million up on the 2023 year-end figure.

Liquid funds amounted to €133 million, compared to €155 million as of December 31, 2023.

STABLE FINANCING PORTFOLIO

The Klöckner & Co Group has a diversified financing portfolio with a total volume of €1.5 billion (excluding leases). For increased financial flexibility, in February 2024, Klöckner & Co increased the facility amount of the syndicated loan from €250 million to €400 million. All other contract provisions, including the conditions and term, remain unchanged. The core Group financing instruments have a volume-weighted remaining term of around two years.

NET FINANCIAL DEBT

(€ million)	June 30, 2024	December 31, 2023	June 30, 2023
Net financial debt*)	779	775	596
Gearing (Net financial debt / shareholders' equity**))	47%	46%	31%
Leverage (Net financial debt / EBITDA before material special effects)	5.4x	4.1x	n.a.

*) Net financial debt of continuing operations, i.e. taking into account IFRS 5 reclassifications.
**) Consolidated equity ./. non-controlling interests ./. goodwill resulting from acquisitions subsequent to May 23, 2019.

Net financial debt, at €779 million remained at the same level as at the end of 2023.

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ million)	Q2 2024	Q2 2023	HY1 2024	HY1 2023
Cash flow from operating activities	61	33	18	79
Cash flow from investing activities	– 21	– 24	– 44	– 30
Free cash flow	**41**	**9**	**– 26**	**49**
Cash flow from financing activities	7	– 14	– 75	– 138

Despite the persistently challenging market environment, a positive operating cash flow was generated of €61 million in the second quarter and €18 million in the first half of 2024. In the comparative period, the cash inflow from operating activities was €33 million in the second quarter of 2023 and €79 million in the first half of 2023.

€47 million in payments for capital expenditure were partly offset by €3 million in receipts from divestments to yield a total cash outflow from investing activities of €44 million (HY1 2023: cash outflow of €30 million).

This resulted in a free cash flow of €41 million in the second quarter of 2024 and a negative free cash flow of €– 26 million in the first half of 2024, compared to positive free cash flows of €9 million in the second quarter of the prior year and €49 million in the prior-year period.

Due to the higher net financial debt, cash flow from financing activities amounted to a cash outflow of €– 75 million in the first half of 2024 (HY1 2023: €– 138 million).

Macroeconomic outlook including key opportunities and risks

Expected global economic growth

According to estimates by the International Monetary Fund (IMF), the global economy will grow by 3.2% in 2024. Overall economic development is being held back by long-term consequences of the COVID-19 pandemic and the impacts of Russia's war of aggression against Ukraine. The global economy is constrained by the increasing fragmentation of global markets, measures needed to reduce inflation, and a reduction in government support due to high debt levels. Global inflation has already halved since its peak in the second quarter of 2022, mainly due to the fall in energy and food prices. However, it has not yet reached the annual average of 3.5% from before the COVID-19 pandemic. Overall, global inflation rates should continue to fall as monetary policy tightens, paving the way for further interest rate cuts.

The IMF predicts slight economic growth of 2.6% for the USA in 2024. However, persistently high interest rates will continue to challenge US economic growth for the full year 2024. The labor market is expected to remain tight for the rest of the year, although wage growth in the US remains moderate without a wage-price spiral taking hold. In addition, the US economy should continue to benefit from government stimulus programs for the remainder of the year.

For the Eurozone, the IMF forecasts that the economy will remain near constant in 2024, +0.9%. The European Central Bank (ECB) has implemented its first monetary easing measures and started to reverse its historic series of interest rate hikes. This rate cut signals a turning point in current monetary policy, bringing relief to households, indebted countries, and companies that had reduced investment due to high borrowing costs. Stronger economic growth in the eurozone in 2024 will be dampened by weak consumer sentiment and the ongoing impacts of high energy prices.

After the Chinese economy benefited from catch-up effects last year due to the relaxation of the zero-COVID strategy and expansionary fiscal policy, the IMF estimates that China's economy will grow considerably by 5.0% in 2024 as a whole. Economic growth in China is also being dampened by the real estate crisis, and a further worsening of this crisis poses a downside risk to the entire Chinese economy.

Expected development of GDP (in percent)	2024e
USA	2.6
Mexico	2.2
Brazil	2.1
Europe*)	**0.9**
Germany	0.2
Switzerland	1.3
China	5.0

*) Eurozone.
Source: International Monetary Fund (IMF), Bloomberg.

Expected steel sector trend

For the full year 2024, the World Steel Association forecasts slight growth in global steel demand by 1.7% to around 1,793 million tons. A slight increase of 1.4% is expected for the North American Free Trade Area (USMCA), along with a slight increase of 2.9% year-on-year for the European Union together with the United Kingdom. The association forecasts stable demand for steel in South and Central America (–0.5%) and China (±0.0%).

Expected trend in our core customer sectors

CONSTRUCTION INDUSTRY

Oxford Economics estimates that the US construction industry will grow considerably by around 5% in 2024. While high interest rates continue to weigh on private residential construction and there is still a large shortage of skilled workers in the US construction industry, the sector can benefit substantially from government subsidies. According to estimates by Oxford Economics, the Eurozone construction industry will grow slightly by around 2% in 2024, while a slight decline of around 1% is forecast for the construction industry in Switzerland. An improvement in the sector is mainly due to the reduction in interest rates, while continued high levels of migration are boosting demand for new housing. The industry may also benefit from initiatives to promote sustainable construction projects, while the shortage of skilled labor is expected to continue to slow the construction industry's development.

MACHINERY AND MECHANICAL ENGINEERING

According to Oxford Economics, US machinery and mechanical engineering will remain constant year-on-year in 2024 (–0.7%). Although a continued strong consumer market is driving demand, the sector is being held back by ongoing restrictive monetary policy and the resulting increase in borrowing costs, together with declining business investment. It is expected that machinery and mechanical engineering in the Eurozone will see a slight decline of 3% in 2024. The sector is weighed down by high borrowing costs and low order intakes as a result of persistently high interest rates. Further interest rate cuts could provide positive impetus for the entire sector in the medium term.

AUTOMOTIVE INDUSTRY

Oxford Economics expects the global passenger car market to remain constant in 2024 (+0.5%). A considerable increase of 5% is forecast in both Europe and Germany. For the USA and Mexico, Oxford Economics expects a slight increase of 4% in 2024 compared to the previous year, while a significant decline of 5% is forecast for China.

Current assessment of opportunities and risks

The information provided in the Opportunities and Risks section on pages 71 to 91 of the Annual Report 2023 generally continues to apply. Market risks continue to dominate. For Klöckner & Co, market risk is mostly determined by trends in demand and prices. The present market situation is characterized by significantly lower market prices and hesitant customer demand.

In macroeconomic terms, the markets currently remain strained, although stable at a low level. Against a backdrop of declining inflation, the European Central Bank recently lowered its base rates, providing a positive stimulus to the eurozone economy, among other things by improving borrowing conditions. The availability of energy has also continued to normalize and energy prices have fallen as a result. These nevertheless remain at a high level. In the US, inflation has also continued to fall, partly due to persistently high interest rates, but there is upward pressure from the ongoing tight labor market. Overall, however, due to the tight monetary policy in both Europe and the USA, inflation rates can be expected to continue falling.

Expectations for global economic growth are generally positive, although significantly dampened by persistently high geopolitical risks and ongoing global trade conflicts. The ongoing Russian war of aggression against Ukraine continues to pose a latent risk of escalation, as does the fraught situation in the Middle East. Tensions between the US and China over geopolitical power and technological leadership continue and are threatening to intensify. All of this has a negative impact on the business climate and consumer sentiment, and ultimately on demand and steel prices. On the other hand, the economy would benefit from an easing of geopolitical problems. In addition, political risks are again moving to the fore in light of the approaching US presidential election in November. Existing trade conflicts could intensify again and protectionist measures be reinforced, with negative impacts on Klöckner & Co's core customer industries.

Other risks include the shortage of skilled workers and the possibility of them switching to higher-paying sectors, as well as cyber risks, which are constantly increasing due to digital value chains and processes.

Conversely, the “Klöckner & Co 2025: Leveraging Strengths” strategy presents major opportunities for Klöckner & Co. By implementing the strategy, we aim to establish Klöckner & Co as the leading one-stop shop for steel, other materials, equipment and processing services in Europe and the Americas, to bring the digital and the physical sides of our business closer together and to continuously improve our internal and external networks. The acquisition of Mexican service center National Material of Mexico and of the US metal components manufacturer Industrial Manufacturing Services, as well as the sale of parts of our European distribution business, further strengthen our focus on higher value-added business and reduce our exposure to volatile commodity markets. Inefficiencies in low-margin steel and metal distribution are still primarily caused by linear supply chains and lack of transparency. By integrating third parties while both digitalizing and automating core processes, we can eliminate existing inefficiencies in the value chain and significantly reduce our variable costs. As well as targeting operational excellence, our strategy is also directed at broadening the customer base and increasing our share of wallet. Finally, it is also geared towards sustainable financial performance and includes reducing our environmental impact and carbon footprint, and leveraging opportunities in connection with sustainable business models. We unlock growth opportunities with sustainable products and services under the Nexigen® umbrella brand – for example with an extensive range of Co_2-reduced products which we categorize simply and clearly for customers and for which we calculate the product carbon footprint transparently along the entire supply chain.

In summary, the main risks for Klöckner & Co at present relate to the demand and price trends, which are exposed to strong volatility and are significantly influenced by the development of the economy. The latter in turn is strongly dependent on the geopolitical, geoeconomic and monetary policy environment. Against this backdrop, Klöckner & Co proceeds at all times with increased circumspection, foresight and caution. Newly emerging risks are identified at an early stage and suitable countermeasures implemented wherever necessary or economically expedient. Among other things, the strategy aims to enhance resilience to the above-mentioned risks in the medium and long term. The Management Board is confident that the Group’s risk management system is effective. Moreover, the Management Board believes that Klöckner & Co has recognized sufficient provisions and valuation allowances to cover all risks required to be accounted for when preparing the interim report. Based on the measures taken and planned, in particular to ensure liquidity, the Management Board is not presently aware of any risks that, either individually or taken as a whole, cast doubt upon the Group's ability to continue as a going concern.

For a detailed description of the risk management system in the Klöckner & Co Group, please see pages 71 et seq. of the Annual Report 2023.

Group forecast

The forecast for 2024 given in the Annual Report 2023 was based on the assumption that economic conditions in the sales markets relevant to us in North America and Europe would gradually return to normal. On this basis, we forecast accelerating demand and therefore considerably higher shipments compared to fiscal year 2023. Overall, the macroeconomic environment has remained challenging, particularly in Europe, and demand momentum has been weaker than originally forecast. In view of these developments, we now expect a slight increase in shipments compared to the prior-year period. Against the backdrop of the weaker demand trend and the significant steel price correction during the reporting period, we now expect a slight decline in sales compared to the prior year.

Despite the significant price correction in a persistently challenging economic environment, we generated EBITDA of €83 million before material special effects in the reporting period. In light of the above-mentioned dynamics, after having forecast a considerable increase for the full year 2024 at the beginning of the year, we now expect EBITDA in the range of €120 million to €180 million before material special effects.

We continue to anticipate an again significantly positive cash flow from operating activities in fiscal year 2024, although below the previous year's level.

	Shipments (Tto)			Sales (€m)		
Forecast by segment	2023	Original forecast 2024	Adjusted forecast 2024	2023	Original forecast 2024	Adjusted forecast 2024
Kloeckner Metals Americas	2,522	Considerable increase	Considerable increase	3,831	Considerable increase	Constant
Kloeckner Metals Europe	1,726	Considerable increase	Constant	3,126	Considerable increase	Considerable decrease
Holding and other Group companies	-			-		
Group	**4,248**	**Considerable increase**	**Slight increase**	**6,957**	**Considerable increase**	**Slight decrease**

	EBITDA before material special effects (€m)			Cash flow from operating activites (€m)		
	2023	Original forecast 2024	Adjusted forecast 2024	2023	Original forecast 2024	Adjusted forecast 2024
Kloeckner Metals Americas	186	Considerable increase	Considerable decrease	251	Considerable decrease	Slight increase
Kloeckner Metals Europe	21	Considerable increase	Considerable decrease	42	Considerable increase	Considerable decrease
Holding and other Group companies	– 2			17		
Consolidation	– 15			– 23		
Group	**190**	**Considerable increase**	**Considerable decrease**	**287**	**Considerable decrease**	**Considerable decrease**

"Stable" corresponds to a change of +/– 0-1%, "slight" to a change of +/– >1-5% and "considerable" to a change of +/– >5%.

Duisburg, August 1, 2024

Klöckner & Co SE

The Management Board

Klöckner & Co Share

Klöckner & Co share: Key data

ISIN DE000KC01000 – German Securities Code (WKN) KC0100

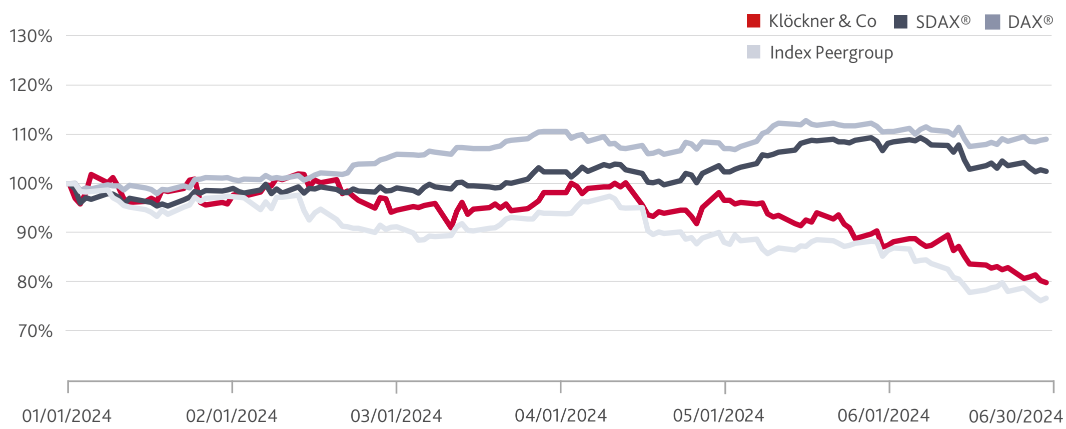
Stock exchange symbol: KCO
Bloomberg: KCO GY
Reuters Xetra: KCOGn.DE
Listed in SDAX®

SHARE PRICE PERFORMANCE

International capital markets remained volatile in the first half of 2024 and were influenced by monetary policy and geopolitical tensions. Compared to the 2023 closing price of €6.87, Klöckner & Co shares lost around 20% in the reporting period and closed on June 28, 2024 at €5.52, which was also the low for the reporting period. The high of €7.01 was reached on February 12, 2024.

Germany's DAX® and SDAX® indices gained around 9% and 3%, respectively, in the same period. The peer group index of companies comparable with Klöckner & Co lost around 23% over the period (alongside thyssenkrupp, Salzgitter, ArcelorMittal, Voestalpine and Swiss Steel, the peer group index also includes Reliance, Olympic Steel and Ryerson).

PERFORMANCE OF KLÖCKNER & CO SHARES COMPARED WITH DAX®, SDAX® AND INDEX PEERGROUP (VALUES INDEXED)



Average daily trading volumes amounted to around €0.7 million in the first quarter of 2024, falling to €0.6 million in the second quarter. Klöckner & Co shares ranked 149th by free float market capitalization in Deutsche Börse AG's ranking in June 2024.

KEY DATA – KLÖCKNER & CO SHARE

		Q2 2024	Q2 2023	HY1 2024	HY1 2023
Share Capital	€	249,375,000	249,375,000	249,375,000	249,375,000
Number of shares	in shares	99,750,000	99,750,000	99,750,000	99,750,000
Closing price (Xetra, Close)	€	5.52	8.92	5.52	8.92
Market capitalization	€ million	551	890	551	890
High (Xetra, Close)	€	6.89	10.06	7.01	10.60
Low (Xetra, Close)	€	5.52	8.83	5.52	8.83
Average daily trading volume	in shares	99,175	180,148	101,167	257,273

ANNUAL GENERAL MEETING

The 18th Annual General Meeting of Klöckner & Co SE was held in Düsseldorf on May 23, 2024. As in the prior year, the Annual General Meeting was held as an in-person event. In addition, shareholders were able to follow a livestream of the entire meeting, register for the Annual General Meeting and vote via the online service on the Klöckner & Co SE website, www.kloeckner.com. Furthermore, the speeches by Chairman of the Supervisory Board Prof. Dr. Dieter H. Vogel and CEO Guido Kerkhoff were broadcast publicly on the website and remain available there for viewing. In total, around 61% of the voting capital voted on resolutions.

OWNERSHIP STRUCTURE

According to voting rights notifications received up to the end of the reporting period, our largest shareholder was SWOCTEM GmbH (Prof. Dr.-Ing. E.h. Friedhelm Loh) with 41.53%. According to the aforementioned voting rights notifications, The Goldman Sachs Group, Inc., Amiral Gestion, Rossmann Beteiligungs GmbH, and Dimensional Holdings Inc. were additional shareholders with between 3% and 5% (percentages of voting rights from shares and instruments). Our free float as defined by Deutsche Börse AG totaled 58.47% as of the end of the reporting period.

CAPITAL MARKET COMMUNICATION

During the first half of 2024, the management and members of the Investor Relations team of Klöckner & Co SE provided interested capital market participants with information at five conferences in Germany and internationally, as well as in many additional one-on-one discussions. Talks with investors focused on the business performance of the Klöckner & Co Group, implementation of the "Klöckner & Co 2025: Leveraging Strengths" strategy, progress in the creation of sustainable value chains, and global macroeconomic developments.

In the first six months, Klöckner & Co was covered by six banks and securities houses in numerous research reports. As of the end of June, five securities houses rated Klöckner & Co shares a "buy", one gave a "hold" recommendation and none rated the shares a "sell".

Klöckner & Co also provides information on current Group developments in the Investor Relations section of the corporate website at www.kloeckner.com/en/investors. Topics include financial reports, the financial calendar and current data on share performance. All details relating to our Annual General Meeting and other capital market events are also published on the website.

Interested capital market investors can also follow Klöckner & Co on LinkedIn for current news on our Company, our shares and our capital market story. Our email newsletter additionally keeps shareholders and other interested parties abreast of current developments at Klöckner & Co SE. You are welcome to sign up for this Company information via ir@kloeckner.com.

The Investor Relations team looks forward to your questions or suggestions. Please feel free to contact us at any time by telephone, email or letter mail.

CONTACT

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Klöckner & Co SE

Consolidated statement of income

for the six-month period ending June 30, 2024

(€ thousand)	Q2 2024	Q2 2023	HY1 2024	HY1 2023
Sales	1,764,508	1,754,284	3,501,634	3,593,982
Changes in inventory	– 4,228	12,727	– 6,417	12,005
Other operating income	6,707	4,933	14,425	15,372
Cost of materials	– 1,466,729	– 1,471,324	– 2,904,759	– 2,999,398
Personnel expenses	– 134,703	– 125,335	– 274,048	– 254,719
Depreciation and amortization	– 31,026	– 26,962	– 63,175	– 53,754
Other operating expenses	– 123,721	– 110,731	– 251,536	– 232,520
Operating result	**10,809**	**37,591**	**16,124**	**80,968**
Income from investments	**– 1,632**	**– 383**	**– 883**	**– 1,904**
Finance income	469	500	1,095	1,691
Finance expenses	– 15,003	– 8,788	– 32,522	– 17,809
Financial result	**– 14,533**	**– 8,288**	**– 31,427**	**– 16,118**
Income before taxes	**– 5,357**	**28,920**	**– 16,186**	**62,945**
Income taxes	– 12,507	– 13,636	– 9,791	– 23,837
Net income from continuing operations (net of tax)	**– 17,863**	**15,284**	**– 25,977**	**39,108**
Net income from discontinued operations (net of tax)	– 4,755	– 3,248	– 29,103	– 35,062
Net income	**– 22,618**	**12,036**	**– 55,080**	**4,046**
thereof attributable to				
– shareholders of Klöckner & Co SE	*– 23,082*	*11,844*	*– 55,713*	*3,518*
– non-controlling interests	*464*	*192*	*633*	*528*
Earnings per share from continuing operations (€/share)				
– basic	– 0.18	0.15	– 0.27	0.39
– diluted	– 0.18	0.15	– 0.27	0.37
Earnings per share attributable to the ordinary equity holders of Klöckner & Co SE (€/share)				
– basic	– 0.23	0.12	– 0.56	0.04
– diluted	– 0.23	0.12	– 0.56	0.04

Statement of comprehensive income Group

for the six-month period ending June 30, 2024

(€ thousand)	Q2 2024	Q2 2023	HY1 2024	HY1 2023
Net income	**– 22,618**	**12,036**	**– 55,080**	**4,046**
Other comprehensive income not reclassifiable				
Actuarial gains losses (IAS 19)	26,281	2,271	28,888	6,165
Total	**26,281**	**2,271**	**28,888**	**6,165**
Other comprehensive income reclassifiable				
Foreign currency translation	13,256	10,359	4,339	– 9,983
Gain/losses from cash flow hedges	-	– 284	-	766
Reclassification to profit and loss due to sale of foreign subsidiaries	19	-	12,571	-
Total	**13,275**	**10,075**	**16,910**	**– 9,217**
Related income taxes	– 3,679	– 603	– 3,388	– 920
Other comprehensive income	**35,877**	**11,743**	**42,410**	**– 3,972**
Group total comprehensive income	**13,259**	**23,779**	**– 12,670**	**74**
thereof attributable to				
– shareholders of Klöckner & Co SE	*12,790*	*23,587*	*– 13,320*	*– 447*
– non-controlling interests	*469*	*192*	*650*	*521*
Total comprehensive income attributable to Klöckner & Co SE stockholders refers to				
– continuing operations	*17,546*	*25,156*	*3,043*	*30,637*
– discontinued operations	*– 4,757*	*– 1,570*	*– 16,363*	*– 31,085*

Consolidated statement of financial position

as of June 30, 2024

Assets

(€ thousand)	Notes	June 30, 2024	December 31, 2023
Non-current assets			
Intangible assets	8	196,309	207,403
Property, plant and equipment	8	772,174	760,495
Other financial assets		34,485	35,401
Other non-financial assets		95,427	73,549
Deferred tax assets		61,046	54,852
Total non-current assets		**1,159,442**	**1,131,700**
Current assets			
Inventories	9	1,400,821	1,399,869
Trade receivables		846,500	659,904
Contract assets		57,966	59,112
Supplier bonus receivables		25,715	53,694
Current income tax receivable		38,112	29,341
Other financial assets		12,205	13,373
Other non-financial assets		59,913	44,707
Cash and cash equivalents		132,572	154,903
Assets held for sale		-	320,638
Total current assets		**2,573,805**	**2,735,541**
Total assets		**3,733,247**	**3,867,241**

Equity and liabilities

(€ thousand)	Notes	June 30, 2024	December 31, 2023
Equity			
Subscribed capital		249,375	249,375
Capital reserves		568,907	570,420
Retained earnings		655,172	777,890
Accumulated other comprehensive income		239,436	150,011
Equity attributable to shareholders of Klöckner & Co SE		**1,712,890**	**1,747,695**
Non-controlling interests		7,575	7,010
Total equity		**1,720,465**	**1,754,705**
Non-current liabilities			
Provisions for pensions and similar obligations		22,658	24,849
Other provisions and accrued liabilities		10,082	10,336
Non-current financial liabilities	10	669,453	742,050
Other financial liabilities		1,331	1,649
Deferred tax liabilities		68,732	68,726
Total non-current liabilities		**772,256**	**847,610**
Current liabilities			
Other provisions and accrued liabilities		90,583	99,048
Income tax liabilities		16,552	18,095
Current financial liabilities	10	239,802	185,537
Trade payables		819,773	676,440
Other financial liabilities		35,833	18,152
Non-financial contract liabilities		3,682	4,903
Advance payments received		1,912	2,199
Other non-financial liabilities		32,390	15,786
Liabilities directly associated with assets classified as held for sale		-	244,764
Total current liabilities		**1,240,526**	**1,264,926**
Total liabilities		**2,012,782**	**2,112,536**
Total equity and liabilities		**3,733,247**	**3,867,241**

Consolidated statement of cash flows

for the six-month period ending June 30, 2024

(€ thousand)	Q2 2024	Q2 2023	HY1 2024	HY1 2023
Net income	– 22,618	12,036	– 55,080	4,046
Result from discontinued operations	4,755	3,248	29,103	35,062
Income taxes	12,507	13,635	9,791	23,837
Financial result	14,533	8,288	31,427	16,118
Income from investments	1,632	383	883	1,904
Depreciation, amortization, reversal of impairment losses and impairment losses of non-current assets	31,026	26,962	63,175	53,754
Other non-cash income/expenses	294	713	– 110	907
Gain on disposal of non-current assets	– 1,552	600	– 2,108	– 4,306
Change in net working capital				
Inventories	– 5,263	– 19,194	13,236	91,851
Trade receivables*)	– 3,385	– 1,845	– 145,951	– 142,277
Trade payables**)	53,855	58,206	128,141	102,679
Change in other operating assets and liabilities	9,383	– 41,316	– 1,026	– 58,371
Interest paid	– 13,004	– 7,257	– 26,645	– 15,182
Interest received	297	176	511	959
Income taxes paid	– 21,359	– 22,885	– 28,739	– 34,984
Income taxes received	223	861	1,205	3,326
Cash flow from operating activities - continuing operations	**61,323**	**32,611**	**17,813**	**79,323**
Cash flow from operating activities - discontinued operations	**-**	**– 1,450**	**– 45,504**	**16,200**
Cash flow from operating activities	**61,323**	**31,161**	**– 27,692**	**95,523**

*) Incl. contract assets and supplier bonus receivables.
**) Incl. contract liabilities and advance payments received.

(€ thousand)	Q2 2024	Q2 2023	HY1 2024	HY1 2023
Proceeds from the sale of non–current assets	1,588	332	2,071	579
Proceeds from the disposal of consolidated companies	-	-	50	-
Proceeds from the sale of financial assets	-	-	397	-
Proceeds from the sale of other business operations	-	-	-	7,429
Dividends received	91	-	91	-
Payments for intangible assets, property, plant and equipment	– 22,181	– 22,047	– 45,881	– 34,264
Purchase price repayment from the investment in consolidated subsidiaries	219	-	219	-
Payments for investments in consolidated subsidiaries	-	– 1,925	– 421	– 2,227
Payments for financial assets	– 494	– 184	– 775	– 1,603
Cash flow from investing activities - continuing operations	**– 20,777**	**– 23,824**	**– 44,249**	**– 30,086**
Cash flow from investing activities - discontinued operations	**-**	**– 839**	**124,107**	**– 2,954**
Cash flow from investing activities	**– 20,777**	**– 24,663**	**79,858**	**– 33,040**
Dividend payments to shareholders of Klöckner & Co SE	– 19,950	– 39,900	– 19,950	– 39,900
Payments for own investment Management Board members	-	-	– 1,799	-
Borrowings of financial liabilities	87,852	90,347	143,993	95,763
Repayment of financial liabilities	– 53,735	– 55,824	– 179,873	– 177,663
Repayment of lease liabilities	– 7,945	– 7,412	– 16,058	– 14,642
Proceeds from derivates of financing activities	483	– 1,169	– 1,197	– 1,369
Cash flow from financing activities - continuing operations	**6,706**	**– 13,958**	**– 74,884**	**– 137,811**
Cash flow from financing activities - discontinued operations	**-**	**– 3,168**	**– 2,753**	**– 6,854**
Cash flow from financing activities	**6,706**	**– 17,126**	**– 77,637**	**– 144,665**
Changes in cash and cash equivalents	**47,252**	**– 10,628**	**– 25,471**	**– 82,182**
Effect of foreign exchange rates on cash and cash equivalents	1,351	148	3,140	– 1,136
Cash and cash equivalents at the beginning of the period	83,969	106,230	154,903	179,068
Cash and cash equivalents at the end of the reporting period as per statement of financial position	**132,572**	**95,750**	**132,572**	**95,750**

Summary of changes in equity

for the six-month period ending June 30, 2024

(€ thousand)	Subscribed capital of Klöckner & Co SE	Capital reserves of Klöckner & Co SE	Retained earnings
Balance as of January 1, 2023	**249,375**	**568,622**	**1,008,383**
Other comprehensive income			
Foreign currency translation	-	-	-
Gain/Loss from cash flow hedges	-	-	-
Actuarial gains and losses (IAS 19)	-	-	-
Related income tax	-	-	-
Other comprehensive income	**-**	**-**	**-**
Net income	-	-	4,512
Total comprehensive income	**-**	**-**	**4,512**
Dividends	-	-	– 39,900
Gain/loss from hedges and cost of hedging, reclassified in inventories	-	-	-
Balance as of June 30, 2023	**249,375**	**568,622**	**972,995**
Balance as of January 1, 2024	**249,375**	**570,420**	**777,890**
Other comprehensive income			
Foreign currency translation	-	-	-
Actuarial gains and losses (IAS 19)	-	-	-
Reclassification to profit and loss due to sale of foreign subsidiaries	-	-	-
Deferred taxes recorded in other comprehensive income	-	-	-
Other comprehensive income	**-**	**-**	**-**
Net income	-	-	– 55,713
Total comprehensive income	**-**	**-**	**– 55,713**
Change of non–controlling interests			– 20
Dividends	-	-	– 19,950
Share-based payments management board	-	– 1,514	-
Reclassification of actuarial losses according to IAS 19.122 to retained earnings	-	-	– 47,035
Balance as of June 30, 2024	**249,375**	**568,907**	**655,172**

Accumulated other comprehensive income					
Currency translation adjustments	Actuarial gains and losses (IAS 19)	Fair value adjustments of financial instruments	Equity attributable to shareholders of Klöckner & Co SE	Non-controlling interests	Total
270,842	**– 135,158**	**– 5,640**	**1,956,422**	**11,834**	**1,968,256**
– 9,977	-	-	– 9,977	– 6	– 9,983
-	-	766	766	-	766
-	6,165	-	6,165	– 1	6,165
-	– 920	-	– 920	-	– 920
– 9,977	**5,245**	**766**	**– 3,966**	**– 7**	**– 3,972**
– 994	-	-	3,518	528	4,046
– 10,971	**5,245**	**766**	**– 448**	**521**	**74**
-	-	-	– 39,900	-	– 39,900
-	-	276	276	-	276
259,871	**– 129,913**	**– 4,598**	**1,916,350**	**12,355**	**1,928,706**
273,388	**– 118,779**	**– 4,598**	**1,747,695**	**7,010**	**1,754,705**
4,324	-	-	4,324	15	4,339
-	28,886	-	28,886	2	28,888
12,571	-	-	12,571	-	12,571
-	– 3,387	-	– 3,387	-	– 3,388
16,895	**25,499**	**-**	**42,393**	**16**	**42,410**
-	-	-	– 55,713	633	– 55,080
16,895	**25,499**	**-**	**– 13,320**	**651**	**– 12,670**
			– 20	– 85	– 105
-	-	-	– 19,950	-	– 19,950
-	-	-	– 1,514	-	– 1,514
-	47,035	-	-	-	-
290,283	**– 46,245**	**– 4,598**	**1,712,890**	**7,575**	**1,720,465**

Selected explanatory notes to the condensed interim consolidated financial statements for the six-month period ending June 30, 2024

(1) Basis of presentation

The condensed interim consolidated financial statements of Klöckner & Co SE for the six-month period ending June 30, 2024 were prepared for interim reporting in accordance with Sec. 115 of the German Securities Trading Act (WpHG) and International Financial Reporting Standards (IFRS) including IAS 34 Interim Financial Reporting as adopted for use within the EU.

The condensed interim consolidated financial statements as of June 30, 2024 have been reviewed by an independent auditor.

The accounting policies applied in preparing the interim consolidated financial statements as of June 30, 2024 – with the exception of the changes presented in Note 2 (New accounting standards and interpretations) – are consistent with those used for the consolidated financial statements of Klöckner & Co SE as of December 31, 2023. A detailed description of those policies is provided in the notes to the consolidated financial statements on pages 216 to 221 of the Annual Report 2023. Consistency of presentation is observed.

The exchange rates used to translate the financial statements of material foreign subsidiaries included in the consolidated financial statements were as follows:

	Closing rate		Average rate	
€1 =	**June 30, 2024**	December 31, 2023	**HY1 2024**	HY1 2023
Pound Sterling (GBP)	0.8464	0.8691	0.8547	0.8764
Swiss Franc (CHF)	0.9634	0.9260	0.9615	0.9856
US Dollar (USD)	1.0705	1.1050	1.0813	1.0807

As part of the preparation of interim consolidated financial statements in accordance with IAS 34 for the period ending June 30, 2024, the Management Board of Klöckner & Co SE is required to make judgments, estimates and assumptions that affect the application of the Group's accounting policies and the presentation, recognition and measurement of assets and liabilities, income and expenses. Actual amounts may differ from these estimates.

The uncertainties in assessing the impacts of the global geopolitical environment with regard to the Russian war of aggression against Ukraine and the Middle East conflict continue to apply and have indirect impacts on Klöckner & Co's macroeconomic business environment. From today's perspective, future developments and their impacts on the development of the business are subject to a high degree of uncertainty, including with regard to continued high inflation rates, skills shortages in industrialized countries, uncertainty regarding further developments in key interest rates, the risk of instability in the financial sector, the exacerbation of debt problems in some European countries as a result of central banks' interest rate policies, semiconductor supply bottlenecks, and continued high energy, material and commodity prices. This relates in particular to estimates in connection with the impairment testing of non-financial assets (goodwill and non-current assets). Information on our assessment of the impact of these influences is provided in Note 8 (Intangible assets and property, plant and equipment).

In the opinion of the Management Board, the interim consolidated financial statements reflect all information necessary to provide a true and fair view of the results. The results for the period ending June 30, 2024 are not necessarily indicative of future results.

The present interim consolidated financial statements for the six-month period ending June 30, 2024 were authorized for issuance by the Management Board on August 1, 2024 after discussion with the Audit Committee of the Supervisory Board. Unless otherwise indicated, all amounts are stated in million euros (€ million), which is the Group's functional currency. Discrepancies may arise relative to the unrounded figures.

(2) New accounting standards and interpretations

The following standards were applied for the first time in the first half of 2024:

Standard/Interpretation
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

Application of the amendments had no material impact on the interim consolidated financial statements of Klöckner & Co SE.

(3) Acquisitions/Divestments

Klöckner & Co SE did not make any corporate acquisitions in the first half of 2024.

The sale of our distribution business in France, the United Kingdom, the Netherlands and Belgium was already successfully completed in the first quarter of 2024, with the sale closing effective February 29, 2024. Assets of €376 million and liabilities of €257 million were sold in this connection. Following the write-down of non-current assets to their fair value of €142 million in 2023, the additional loss on disposal recognized on deconsolidation, including realized foreign exchange losses, amounted to €46 million as of June 30, 2024. In connection with the preliminary determination of the purchase price at the time of closing, the buyer has already paid Klöckner & Co a preliminary purchase price of €100 million. As the final determination of the individual purchase price components under the purchase agreement has not yet been completed, the purchase price remains subject to change. On the basis of the current status of the negotiations, the preliminary purchase price, net of transaction costs, is €86 million as of June 30, 2024.

In accordance with IFRS 5, the divested entities were accounted for as discontinued operations as of the December 31, 2023 reporting date. All income and expenses until disposal and the deconsolidation gain or loss are presented separately in the income statement and statement of cash flows as net income from discontinued operations in fiscal year 2024.

The net incomes of the divested entities until the effective date of sale and the deconsolidation gain or loss are presented as net income from discontinued operations, which breaks down as follows.

(€ thousand)	Jan. 1 - Feb. 29, 2024	Jan. 1 – Jun. 30, 2023
Sales	125,201	448,820
Other operating income	21,615	2,169
Cost of materials	– 100,934	– 363,554
Personnel expenses	– 14,596	– 60,990
Depreciation and amortization	– 3,427	– 11,254
Other operating expenses	– 11,019	– 51,199
Operating result	**16,840**	**– 36,008**
Finance income	193	591
Finance expenses	– 487	– 809
Financial result	**– 294**	**– 218**
Income before taxes from discontinued operations	**16,546**	**– 36,226**
Income taxes	142	1,164
Net income from discontinued operations (net of tax)	**16,688**	**– 35,062**
Result on disposal from discontinued operations (excluding currency effects)	**– 33,220**	**-**
Foreign currency translation	– 12,571	-
Net income from discontinued operations (net of tax)	**– 29,103**	**-**

The comparability of the result from discontinued operations is impaired by the following special effects:

(€ thousand)	Jan. 1 - Feb. 29, 2024	Jan. 1 – Jun. 30, 2023
Net income from discontinued operations (net of tax)	**16,688**	**– 35,062**
Income from the sale of real estate	17,502	-
Expenses/income from restructuring	-	-
- Personnel restructuring	– 63	– 13,346
- Other restructuring	3,745	– 12,781
Special effects	**21,184**	**– 26,127**
Net income from discontinued operations after material special effects (net of tax)	**– 4,496**	**– 8,935**

(4) Special items affecting the results

Comparability between operating income (EBITDA) for the first six months of fiscal year 2024 and the prior year is impacted by the following material effects:

(€ thousand)	June 30, 2024	June 30, 2023
Material property disposal gains	338	4,740
Restructuring expenses	– 4,420	-
EBITDA impact	**– 4,082**	**4,740**

HY1 2024

Restructuring expenses

For a risk assumed on the sale of parts of the European distribution business, a provision of €3.9 million has been recognized in the Holding and Other Group Companies segment.

A site in the Kloeckner Metals Americas segment was closed and sold in the first half of 2024 (with a gain of €0.3 million). Site restructuring expenses were incurred in addition (expenses of €0.3 million). In the Kloeckner Metals Europe segment, expenses of €0.2 million were incurred from restructuring programs initiated in previous years.

HY1 2023

Material one-off gains on the sale of a business unit in the Kloeckner Metals Europe segment

A business unit in the Kloeckner Metals Europe segment was sold for €5 million in the first half of 2023.

(5) Sales

The Group's external sales are broken down by region (customer headquarters) as follows:

June 30, 2024 *(€ thousand)*	Kloeckner Metals Americas	Kloeckner Metals Europe	Holding and other Group companies	Total
Germany	-	684,269	-	684,269
EU excluding Germany	-	186,802	-	186,802
Switzerland	-	526,007	-	526,007
Rest of Europe	-	6,399	-	6,399
USA	2,059,772	377	-	2,060,149
Central and South America	20,849	6,746	-	27,595
Asia/Australia	-	10,412	-	10,412
Sales	**2,080,622**	**1,421,013**	**-**	**3,501,634**

June 30, 2023 *(€ thousand)*	Kloeckner Metals Americas	Kloeckner Metals Europe	Holding and other Group companies	Total
Germany	-	956,214	-	956,214
EU excluding Germany	-	167,053	-	167,053
Switzerland	-	588,264	-	588,264
Rest of Europe	-	5,597	-	5,597
USA	1,839,882	149	-	1,840,031
Central and South America	19,470	8,768	-	28,238
Asia/Australia	-	8,585	-	8,585
Sales	**1,859,352**	**1,734,630**	**-**	**3,593,982**

The Group's sales by type of business are as follows:

June 30, 2024 *(€ thousand)*	Kloeckner Metals Americas	Kloeckner Metals Europe	Holding and other Group companies	Total
Stockholding	633,509	533,987	-	1,167,496
Processing and Service-Center	1,437,665	605,483	-	2,043,148
Direct business	9,448	58,620	-	68,068
Other contracts	-	222,923	-	222,923
External sales	**2,080,622**	**1,421,013**	**-**	**3,501,634**

June 30, 2023 *(€ thousand)*	Kloeckner Metals Americas	Kloeckner Metals Europe	Holding and other Group companies	Total
Stockholding	739,878	624,778	-	1,364,657
Processing and Service-Center	1,106,042	800,795	-	1,906,837
Direct business	13,431	79,120	-	92,551
Other contracts	-	229,937	-	229,937
External sales	**1,859,352**	**1,734,630**	**-**	**3,593,982**

(6) Earnings per share

Earnings per share are calculated by dividing interim-period consolidated net income attributable to the shareholders of Klöckner & Co SE by the weighted average number of shares outstanding during the period.

		HY1 2024	HY1 2023
Net income attributable to shareholders of Klöckner & Co SE	(€ thousand)	– 55,713	3,518
– from continuing operations	(€ thousand)	– 26,610	38,740
– from discontinued operations	(€ thousand)	– 29,103	– 35,222
Weighted average number of shares	(thousands of shares)	99,750	99,750
Basic earnings per share from continuing operations	**(€/share)**	**– 0.27**	**0.39**
Basic earnings per share from discontinued operations	**(€/share)**	**– 0.29**	**– 0.35**
Net income attributable to shareholders of Klöckner & Co SE	(€ thousand)	– 55,713	3,518
– from continuing operations	(€ thousand)	– 26,610	38,740
– from discontinued operations	(€ thousand)	– 29,103	– 35,222
Interest expense on convertible bonds (net of tax)	(€ thousand)	-	2,334
Net income used to determine diluted earnings per share	(€ thousand)	– 55,713	5,852
– from continuing operations	(€ thousand)	– 26,610	41,074
– from discontinued operations	(€ thousand)	– 29,103	– 35,222
Weighted average number of shares	(thousands of shares)	99,750	99,750
Dilutive potential shares from convertible bonds	(thousands of shares)	-	12,041
Weighted average number of shares for diluted earnings per share	(thousands of shares)	99,750	111,791
Diluted earnings per share from continuing operations	**(€/share)**	**– 0.27**	**0.37**
Diluted earnings per share from discontinued operations	**(€/share)**	**– 0.29**	**– 0.32**

(7) Income Taxes

The combined income tax rate for the interim report period ending June 30, 2024 is 32.1% (2023: 31.8%), comprising corporate income tax (including solidarity surcharge) of 15.8% and trade tax for Klöckner & Co of 16.3%. Foreign tax rates vary between 18.0% and 34.0%.

The Group falls within the scope of the OECD Pillar Two Model Rules and makes use of the exemption from accounting for deferred taxes related to Pillar Two income taxes in the interim reporting period ended June 30, 2024. The Group expects that due to the Pillar Two legislation that entered into force on January 1, 2024, no additional taxes to be incurred in the interim reporting period until June 30, 2024. Under the legislation, for each jurisdiction, the Group must pay a top-up tax in the amount of any difference between the GloBE effective tax rate and the 15% minimum rate.

The weighted average effective tax rates for all countries in which the Group operates are estimated to be in excess of 15%.

(8) Intangible assets and property, plant & equipment

Impairment testing of goodwill and other non-current assets
In the annual impairment test at the end of 2023 to determine the recoverable amount of a cash-generating unit (CGU) using the discounted cash flow method, estimation uncertainties were taken into account when determining future cash inflows. These estimation uncertainties were mainly due to the Russian war of aggression against Ukraine and the Middle East conflict. The affected estimates were inferred on the basis of available data and management's assessment and include country-specific market changes for the estimation of shipments and the future gross profit per ton. Expected changes in operating expenses due to factors such as inflation adjustments were also taken into account in the calculation of the expected future cash flows.

The current macroeconomic environment and the resulting business performance in the first half of 2024 indicate that the earnings performance of the individual CGUs does not contradict the assumptions in the detailed planning period underlying the annual impairment test as of December 31, 2023. For the impairment test on the basis of the ratio of the market capitalization to the equity of the Klöckner & Co SE Group, the recoverability of non-current assets was confirmed by testing value in use as of June 30, 2024. As the business performance criteria for the Becker CGU and the Brazil CGU deteriorated and were below expectations in the first half of 2024, there were internal indications within the meaning of IAS 36.12 (f) that there may be an impairment of the recoverable amount. The impairment tests conducted on non-current assets showed that the value in use of the Becker CGU was less than the CGU's carrying amount, hence the recoverable amount cannot be determined from the cash flows from continuing use. However, as the fair values less costs to sell of the CGU's individual assets exceed the carrying amounts of the CGU, no further impairment loss was required to be recognized as of June 30, 2024.

For detailed information on the impairment tests, please refer to Note 16 (Intangible assets and property, plant and equipment) to our IFRS Consolidated Financial Statements as of December 31, 2023.

(9) Inventories

(€ million)	**June 30, 2024**	December 31, 2023
Cost	1,438	1,446
Valuation allowance (net realizable value)	– 37	– 46
Inventories	**1,401**	**1,400**

(10) Financial liabilities

The details of financial liabilities are as follows:

(€ million)	June 30, 2024	December 31, 2023
Non-current financial liabilities		
Liabilities to banks	567	639
Lease liabilities	102	103
Total non-current financial liabilities	**669**	**742**
Current financial liabilities		
Liabilities to banks	143	57
Liabilities under ABS programs	64	98
Lease liabilities	33	30
Total current financial liabilities	**240**	**186**
Financial liabilities as per consolidated balance sheet	**909**	**928**

Net financial debt developed as follows:

(€ million)	June 30, 2024	December 31, 2023
Financial liabilities as per consolidated balance sheet	**909**	**928**
plus transaction costs	2	2
Gross financial liabilities	**911**	**930**
less cash and cash equivalents	– 133	– 155
Net financial debt (before deduction of transaction cost)	**779**	**775**

(11) Financial instruments

The carrying amounts and fair values by category of financial instruments are as follows:

Financial assets as of June 30, 2024			Category			Fair value			
(€ thousand)	Presented in the Statement of Financial Position as	Carrying amount	Fair value recognized in profit and loss	Fair value recognized in equity	Amortized costs	Level 1	Level 2	Level 3	Total
Measured at fair value									
Derivative financial instruments not designated in hedge accounting (held for trading)	Current and non-current other financial assets	40	40	-	-	-	40	-	40
Participations	Non-current other financial assets	32,355	32,355	-	-	-	-	32,355	32,355
Short-term deposits (< 3 month)	Cash and cash equivalents	434	434	-	-	-	434	-	434
Not measured at fair value									
Trade receivables and contract assets	Trade receivables and contract assets	904,466	-	-	904,466	-	-	-	-
Cash and cash equivalents	Cash and cash equivalents	132,139	-	-	132,139	-	-	-	-
Other financial assets at cost	Current and non-current other financial assets	14,295	-	-	14,295	-	14,295	-	14,295
Other financial assets at cost	Bonus claims to suppliers	25,715	-	-	25,715	-	-	-	-
Total		**1,109,444**	**32,829**	**-**	**1,076,615**	**-**	**14,769**	**32,355**	**47,124**

Financial liabilities as of June 30, 2024			Category / Hedge Accounting / Leasing			Fair value			
(€ thousand)	Presented in the Statement of Financial Position as	Carrying amount	Fair value recognized in profit and loss	Fair value recognized in equity	Amortized costs	Level 1	Level 2	Level 3	Total
Measured at fair value									
Derivative financial instruments not designated in hedge accounting (held for trading)	Other current and non-current financial liabilities	573	-	-	-	-	573	-	573
Not measured at fair value									
Financial liabilities at cost	Current and non-current financial liabilities	774,090	-	-	774,090	-	773,186	-	773,186
Lease liabilities	Current and non-current financial liabilities	135,165	-	-	135,165	-	-	-	-
Trade payables	Trade payables	819,773	-	-	819,773	-	-	-	-
Other financial liabilities at cost	Other non-current financial liabilities	1,331	-	-	1,331	-	-	1,331	1,331
Other financial liabilities at cost	Other current financial liabilities	35,260	-	-	35,260	-	-	-	-
Total		**1,766,192**	**-**	**-**	**1,765,619**	**-**	**773,759**	**1,331**	**775,090**

Financial assets as of December 31, 2023 (€ thousand)	Presented in the Statement of Financial Position as	Carrying amount	Category: Fair value recognized in profit and loss	Category: Fair value recognized in equity	Category: Amortized costs	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Total
Measured at fair value									
Derivative financial instruments not designated in hedge accounting (held for trading)	Current and non-current other financial assets	651	651	-	-	-	651	-	651
Participations	Non-current other financial assets	32,816	32,816	-	-	-	-	32,816	32,816
Short-term deposits (< 3 month)	Cash and cash equivalents	8	8	-	-	-	8	-	8
Other financial assets	Current and non-current other financial assets	-	-	-	-	-	-	4,867	4,867
Not measured at fair value									
Trade receivables and contract assets	Trade receivables and contract assets	719,016	-	-	719,016	-	-	-	-
Cash and cash equivalents	Cash and cash equivalents	154,895	-	-	154,895	-	-	-	-
Other financial assets at cost	Current and non-current other financial assets	15,308	-	-	15,308	-	15,308	-	15,308
Other financial assets at cost	Bonus claims to suppliers	53,694	-	-	53,694	-	-	-	-
Total		**976,388**	**33,475**	**-**	**942,913**	**-**	**15,967**	**37,683**	**53,650**

Financial liabilities as of December 31, 2023 (€ thousand)	Presented in the Statement of Financial Position as	Carrying amount	Category / Hedge Accounting / Leasing: Fair value recognized in profit and loss	Category / Hedge Accounting / Leasing: Fair value recognized in equity	Category / Hedge Accounting / Leasing: Amortized costs	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Fair value: Total
Measured at fair value									
Derivative financial instruments not designated in hedge accounting (held for trading)	Other current and non-current financial liabilities	888	888	-	-	-	888	-	888
Derivative financial instruments designated in hedge accounting	Other current and non-current financial liabilities	-	-	-	-	-	-	-	-
Other financial liabilities at cost	Other non-current financial liabilities	1,649	1,649	-	-	-	-	1,649	1,649
Other financial liabilities at cost	Other current financial liabilities	2,016	2,016	-	-	-	-	2,016	2,016
Not measured at fair value									
Financial liabilities at cost	Current and non-current financial liabilities	794,419	-	-	794,419	-	793,676	-	793,676
Lease liabilities	Current and non-current financial liabilities	133,167	-	-	133,167	-	-	-	-
Trade payables	Trade payables	676,440	-	-	676,440	-	-	-	-
Other financial liabilities at cost	Other current financial liabilities	15,249	-	-	15,249	-	-	-	-
Total		**1,623,828**	**4,553**	**-**	**1,619,275**	**-**	**794,564**	**3,665**	**798,229**

The fair value measurement of non-current financial assets in the amount of €32,355 thousand (2023: €32,816 thousand) is classified as level 3. These are mostly unquoted financial instruments (equity investments) for which there is no active market. Of the change in the 2024 reporting period, an increase of €516 thousand is attributable to capital measures and a decrease of €974 thousand to changes in fair value. Fair value is measured on the basis of available financial information, such as transaction prices for financing rounds or business plans to the extent that this information is reliable, or, as an approximation, as cost, which is considered an appropriate estimate of fair value as no more suitable information is available. A review is carried out on a quarterly basis using all information available on the equity investments to establish whether cost is still representative of fair value. This would no longer be the case, for example, in the event of a significant change in the market in which the equity investments are active. As cost is the sole input factor for fair value, a percentage change in cost results in an equal change in fair value. The estimated fair value would increase (decrease) with any increase (decrease) in cost. Given the size of the investment amount, even a 10% increase in cost would not have a material impact on fair value.

The fair values of non-current financial liabilities are determined on the basis of risk-adjusted discounted cash flows.

In the case of current financial assets (mostly other assets), fair values are largely identical to carrying amounts. The fair values of financial liabilities reflect the current market situation for the respective financial instruments as of June 30, 2024. Their fair values are not reduced by transaction costs. For current financial liabilities, when there are no transaction costs to be deducted, their carrying amount is identical to fair value.

Financial instruments are classified as Level 1 if the fair value is obtained from quoted prices in active markets. Fair values determined using other directly observable market inputs are classified as Level 2.

The Level 3 fair value of miscellaneous other current liabilities includes an earn-out clause from the acquisition of Sol Components LLC, Sacramento, USA, under which a subsequent purchase price adjustment of a maximum of USD 3.0 million was agreed subject to the achievement of specified sales targets as of December 31, 2024. If the specified targets are not achieved, management can extend the period by mutual agreement. The fair value of the earn-out clause was measured using a discount rate of 8.1% and amounts to USD 1.8 million (€1.6 million).

Also included is contingent consideration of CHF 1.3 million (€1.3 million) for the acquisition of the shares in Müller Wüst AG, Aarau, Switzerland, which will fall due in the following four years. As a qualitative component of the contingent consideration, the sellers will receive a maximum amount of CHF 150 thousand (€156 thousand) per year for the years 2024, 2025 and 2026 – a total of CHF 450 thousand (€467 thousand) – if certain milestones are achieved. The quantitative component of the consideration amounts to CHF 850 thousand (€882 thousand) and is dependent on cumulative net sales for the years 2024 to 2026 and the EBITDA margin in 2026.

The fair value also includes a purchase price liability from the acquisition of PC-Tech SA, Penthalaz, Switzerland, in the amount of 104 T€ (2023: €540 thousand) with a term of less than one year. The estimated fair value would decrease if the agreed EBITDA were not met.

They also include a put liability from the acquisition of ODS Belgium B.V., Essen, Belgium. The put option was entered into for a potential future transfer of non-controlling interests valued by discounting future earnings based on budget figures. The future earnings are based on budget figures. The liability amounted to €137 thousand in the reporting period (2023: €137 thousand). IFRS 13.97 applies.

Derivative financial instruments

The Klöckner & Co Group is exposed in its operating business to interest and currency risk and to price fluctuation risk in procurement transactions. This risk is hedged using derivative financial instruments.

The Group exclusively uses market instruments with sufficient market liquidity. Derivative financial instruments are entered into and managed in compliance with internal directives governing the scope of action, responsibilities and controls. According to these directives, the use of derivative financial instruments is a primary responsibility of the Corporate Treasury department of Klöckner & Co SE, which manages and monitors the use of such instruments. Such transactions are only entered into with credit institutions with impeccable ratings. Derivative financial instruments are not allowed to be used for speculative purposes and may only be used to hedge risks associated with hedged items.

Derivative financial instruments are accounted for at fair value in accordance with IFRS 9. Derivatives are initially measured at fair value on inception and subsequently measured at fair value at each reporting date. Any gain or loss from a change in the fair value of a derivative financial instrument that is not a designated and effective cash flow hedge or hedge of a net investment is immediately recognized in profit or loss. For derivative financial instruments that are designated hedges, the timing of the recognition of gains or losses depends on the type of hedge and its effectiveness. The Klöckner & Co Group uses certain derivative financial instruments to hedge recognized assets or liabilities. Certain unrecognized firm commitments are also hedged.

Forward exchange transactions are measured item by item at the forward rate as of the reporting date, and exchange differences arising due to the contracted forward exchange rate are recognized in profit or loss.

Commodity forwards are designated in cash-flow hedge accounting and classified into planned and pending procurement transactions. Two potential causes of ineffectiveness are over-hedging and divergence between the derivative's underlying and the hedged steel price component from the reference price formula. Any ineffectiveness is accounted for in cost of materials.

The notional amounts and fair values of the derivative financial instruments in interest rate and currency hedges as of the reporting date and risks of price fluctuations in procurement transactions are as follows:

	June 30, 2024			December 31, 2023		
(€ million)	Not designated in hedge-accounting	Designated in hedge-accounting	Average hedge rate (in €)	Not designated in hedge-accounting	Designated in hedge-accounting	Average hedge rate (in €)
Nominal values						
Forward exchange transactions	61.1	-	-	127.0	-	-
Commodity futures	-	-	-	-	-	

The notional amounts correspond to the non-netted sum of the currency, interest rate and price portfolio.

The amounts relating to items designated as hedging instruments were as follows:

	June 30, 2024		December 31, 2023	
	Fair value		Fair value	
(€ million)	Forward exchange transactions	Commodity futures	Forward exchange transactions	Commodity futures
Not designated in hedge-accounting	– 0.5	-	– 0.2	-
Designated in hedge-accounting	-	-	-	-
Change in value of hedging instrument recognized in other comprehensive income	-	-	-	-
Ineffectiveness recognized in profit or loss	-	-	-	-
Gains and losses on hedges reclassified to inventories - basis adjustment	-	-	-	-
Amount reclassified from hedging reserve to profit or loss	-	-	-	-
Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied	– 56.6	-	– 56.6	-

Forward exchange contracts are presented in other current assets and liabilities; commodity futures contracts are presented in other current liabilities.

The fair values of the derivative financial instruments are determined on the basis of quantitative finance methods using standard banking models. Counterparty risk as of the measurement date is taken into account in the determination of fair values. Where market prices exist, these correspond to the price a third party would pay for the rights or obligations arising from the financial instruments. The fair values are the market values of the derivative financial instruments, irrespective of any offsetting changes in the value of hedged items.

Forward exchange contracts with a notional amount of €61 million (2023: €127 million) have a remaining maturity of less than one year. In the prior year, these included a notional amount of €58 million for the hedging of intra-Group loans.

(12) Subsequent events

Effective July 1, 2024, Kloeckner Metals Corporation, Wilmington, Delaware, USA, acquired Amerinox Processing Inc., Camden, New Jersey, USA. The company provides extensive metal processing and polishing services, primarily for large metal service centers in the eastern USA and southern Canada. The provisional purchase price amounts €9 million (USD 10 million). The company generated sales of €11 million (USD 12 million) in 2023 with 56 employees.

(13) Related party transactions

In the course of its ordinary business activities, the Klöckner & Co Group has business relationships with numerous companies. These also include related parties. Business relations with these companies do not fundamentally differ from trade relationships with other companies. There were no material related party transactions in the reporting period.

(14) Segment reporting

Following the allocation of our Mexican subsidiary, National Material of Mexico (“NMM”), which was acquired in fiscal year 2023, to the Kloeckner Metals US segment, the segment was renamed Kloeckner Metals Americas. Since the first quarter of 2024, all European continuing operations have been combined in the Kloeckner Metals Europe segment. From the first quarter of 2024, the Group is thus divided into two operating segments: Kloeckner Metals Americas and Kloeckner Metals Europe. As before, headquarters functions not allocated to a segment are reported separately, together with consolidation adjustments, under “Holding and other Group companies.”

	Kloeckner Metals Americas		Kloeckner Metals Europe		Holding and other Group companies*)		Total	
(€ million)	**HY1 2024**	HY1 2023	**HY1 2024**	HY1 2023	**HY1 2024**	HY1 2023	**HY1 2024**	HY1 2023
Shipments (Tto)	1,456	1,197	848	934	-	-	2,304	2,131
External sales	2,081	1,859	1,421	1,735	-	-	3,502	3,594
Gross profit	352	341	238	266	-	-	590	607
Gross profit margin (%)	16.9	18.3	16.8	15.3	-	-	16.9	16.9
Segment result (EBITDA)**)	84	111	– 3	32	– 2	– 8	79	135
EBITDA before material special effects	84	111	– 3	28	2	– 9	83	130
Earnings before interest and taxes (EBIT)	50	83	– 30	8	– 4	– 10	16	81
Cash flow from operating activities from continuing operations	– 21	97	42	– 12	– 3	– 6	18	79
Cash flow from operating activities from discontinued operations	-	-	– 46	16	-	-	– 46	16

	Kloeckner Metals Americas		Kloeckner Metal Eu-rope		Holding and other Group companies*)		Total	
(€ million)	**HY1 2024**	FY 2023	**HY1 2024**	FY 2023	**HY1 2024**	FY 2023	**HY1 2024**	FY 2023
Net working capital as of closing date***)	776	703	726	785	4	1	1,506	1,489
Employees as of closing date	3,014	2,918	3,151	3,196	231	261	6,396	6,375

*) Including consolidations.

**) EBITDA = Earnings before interest, taxes, income from investments, depreciation and amortization and reversals of impairments on intangible assets and property, plant and equipment.

***) Net working capital = Inventories + trade receivables + contract assets + supplier bonus receivables ./. trade liabilities ./. contract liabilities ./. advance payments received.

Duisburg, August 1, 2024

MANAGEMENT BOARD

Guido Kerkhoff
CHAIRMAN OF THE MANAGEMENT BOARD (CEO)

Dr. Oliver Falk
MEMBER OF THE MANAGEMENT BOARD (CFO)

John Ganem
MEMBER OF THE MANAGEMENT BOARD (CEO AMERICAS)

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Duisburg, August 1, 2024

MANAGEMENT BOARD

Guido Kerkhoff
CHAIRMAN OF THE MANAGEMENT BOARD
(CEO)

Dr. Oliver Falk
MEMBER OF THE MANAGEMENT BOARD
(CFO)

John Ganem
MEMBER OF THEMANAGEMENT BOARD
(CEO AMERICAS)

Review report

To Klöckner & Co SE, Duisburg
We have reviewed the condensed consolidated interim financial statements – comprising the consolidated statement of financial position as of June 30, 2024, consolidated statement of income, consolidated statement of cash flows, summary of changes in equity for the period from January 1 to June 30, 2024 and selected explanatory notes – and the interim group management report of Klöckner & Co SE for the period from January 1 to June 30, 2024 which are part of the half-year financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The voluntary additional information for the second quarter of 2024 and the second quarter of 2023 contained in the consolidated income statement, the consolidated statement of comprehensive income and the consolidated cash flow statement as well as in the sections "Key Developments in the first six months of 2024 and outlook" and "Results of operations, financial position and net assets" of the interim group management report were not subject of our review.

The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. Our opinions on the interim consolidated financial statements and on the interim group management report do not extend to the voluntary additional information for the second quarter of 2024 and the second quarter of 2023 contained in the consolidated income statement, the consolidated statement of comprehensive income and the consolidated cash flow statement as well as in the sections "Key Developments in the first six months of 2024 and outlook" and "Results of operations, financial position and net assets" of the interim group management report.

Düsseldorf, 1. August 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Antje Schlotter
WIRTSCHAFTSPRÜFERIN
(GERMAN PUBLIC AUDITOR)

ppa. Verena Polzer
WIRTSCHAFTSPRÜFERIN
(GERMAN PUBLIC AUDITOR)

Financial Calendar

November 6, 2024	Q3 quarterly statement 2024 Conference call with journalists Conference call with analysts
March 12, 2025	Annual Financial Statement 2024 Conference call with journalists Conference call with analysts
May 7, 2025	Q1 quarterly statement 2025 Conference call with journalists Conference call with analysts
May 28, 2025	Annual General Meeting 2025
August 6, 2025	Half-yearly financial report 2025 Conference call with journalists Conference call with analysts
November 5, 2025	Q3 quarterly statement 2025 Conference call with journalists Conference call with analysts

Subject to subsequent changes.

Klöckner & Co SE

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Head of Group HR

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Disclaimer

This report contains forward-looking statements which reflect the current views of the management of Klöckner & Co SE with respect to future events. They generally are designated by the words "expect", "assume", "presume", "intend", "estimate", "strive for", "aim for", "plan", "will", "endeavor", "outlook" and comparable expressions and generally contain information that relates to expectations or goals for economic conditions, sales proceeds or other yardsticks for the success of the enterprise. Forward-looking statements are based on currently valid plans, estimates and expectations and are therefore only valid on the day on which they are made. You therefore should consider them with caution. Such statements are subject to numerous risks and factors of uncertainty (e. g. those described in publications) most of which are difficult to assess and which generally are outside of the control of Klöckner & Co SE. The relevant factors include the effects of reasonable strategic and operational initiatives, including the acquisition or disposal of companies or other assets. If these or other risks and factors of uncertainty occur or if the assumptions on which the statements are based turn out to be incorrect, the actual results of Klöckner & Co SE can deviate significantly from those that are expressed or implied in these statements. Klöckner & Co SE cannot give any guarantee that the expectations or goals will be attained. Klöckner & Co SE – notwithstanding existing legal obligations – rejects any responsibility for updating the forward-looking statements through taking into consideration new information or future events or other things. In addition to the key figures prepared in accordance with IFRS and German-GAAP respectively, Klöckner & Co SE is presenting non-GAAP key figures such as EBITDA, EBIT, Net Working Capital and net financial liabilities that are not a component of the accounting regulations. These key figures are to be viewed as supplementary to, but not as a substitute for data prepared in accordance with IFRS. Non-GAAP key figures are not subject to IFRS or any other generally applicable accounting regulations. In assessing the net assets, financial position and results of operations of Klöckner & Co SE, these supplementary figures should not be used in isolation or as an alternative to the key figures presented in the consolidated financial statements and calculated in accordance with the relevant accounting principles. Other companies may base these concepts upon other definitions. Please refer to the definitions in the last annual report. For other terms not defined in this annual report, please refer to the glossary on our website at https://www.kloeckner.com/en/glossary.html.

Rounding

Rounding differences may occur with respect to percentages and figures.

Variances for technical reasons

Variances may arise for technical reasons (e.g., conversion of electronic formats) between the accounting documents contained in this report and the format submitted to the Federal Gazette (Bundesanzeiger). In this case, the version submitted to the Federal Gazette shall be binding.

The English translation of the annual report and the quarterly statements are also available, in case of deviations the German versions shall prevail.

Evaluating statements are unified and are presented as follows:

+/– 0-1%	+/– >1-5%	+/– >5%
constant	slight	considerable